

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01

PA-01 PRS-01 USIA-06 SAM-01 /083 W

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R 240653Z APR 75

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 1649

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E.O. 11652: N/A

TAGS: EINV, ECON, BGEN, SP

SUBJ: GOS LIMITATIONS ON DIVIDENDS

REF: MADRID 2400

1. EMBASSY HAS RECEIVED COMPLAINTS RECENTLY FROM TWO US OIL COMPANIES OVER GOS LIMITATION ON DIVIDENDS IMPOSED APR 8. MEASURE IS PART OF BROAD ECONOMIC PACKAGE AIMED AT PROBLEMS OF INFLATION, AND BALANCE OF PAYMENTS AND LIMITS DISTRIBUTION OF DIVIDENDS FOR ALL FIRMS, SPANISH AND FOREIGN OWNED, TO AVERAGE OF PAST TWO YEARS. IF NO DIVIDENDS WERE PAID IN THAT PERIOD, LIMIT IS 6 PERCENT OF PAID IN CAPITAL.

2. THIS MEASURE IS NOT REALLY NEW. IT IS ALMOST EXACTLY A RETURN TO REGULATIONS IN EFFECT FROM NOVEMBER 30, 1973 TO DECEMBER 31, 1974. RESTRICTION WAS ALLOWED TO LAPSE FOR FIRST 3 MONTHS OF 1975 WHEN DIVIDENDS OF ANY SIZE WERE PERMITTED TO BE PAID OUT AND REMITTED ABORAD.

3. EMBOFF DISCUSSED RESTRICTIONS WITH TWO LARGE US ACCOUNTING FIRMS HERE AND NEITHER SEEMED CONCERNED. ONE,  
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WITH SOME 300 CLIENTS, HALF OF THEM FOREIGN COMPANIES,

SAID THEY HAD HAD NO COMPLAINTS SO FAR AND DID NOT FORESEE  
ANY REAL PROBLEMS FOR US CLIENTS.

4. EMBASSY WISHES TO EMPHASIZE THAT GOS MEASURE DOES NOT  
REPRESENT ANY MAJOR NEW RESTRICTION ON FOREIGN  
INVESTORS AND THAT WHILE SOME FIRMS MAY BE HINDERED,  
RESTRICTION IS VIEWED HERE AS A TEMPORARY MEASURE (IT IS  
SCHEDULED TO EXPIRE DEC 31, 1975) AND ONE CONSIDERED  
SUFFICIENTLY LIBERAL TO CREATE VERY FEW PROBLEMS.  
STABLER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONTROLS, ANTIINFLATIONARY PROGRAMS, ECONOMIC TRENDS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** SmithRJ  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MADRID02788  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
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**Film Number:** D750144-0198  
**From:** MADRID  
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**Line Count:** 71  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** GOS LIMITATIONS ON DIVIDENDS  
**TAGS:** EINV, ECON, BGEN, SP  
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